

**FY 2004
Massachusetts
Community
Development Block
Grant Program**

**Commercial Rehabilitation
GUIDE**

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COMMERCIAL REHABILITATION WITH CDBG

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Introduction to Sign and Facade Programs

Commercial rehabilitation programs often take the form of sign and facade renovation assistance for local businesses as well as rehabilitation within commercial spaces. One or more of the following program components are utilized to increase economic activity in downtown and neighborhood commercial areas:

- use of loan or grant funds for bricks-and-mortar improvements to create or improve the sign and/or facade in compliance with specific design guidelines or standards
- use of grant or loan funds for rehabilitation of a commercial building or to provide removal of architectural barriers or to eliminate health and safety problems or building code violations

CDBG funds targeted to commercial areas are often used as a means of eliminating or preventing slums and blighting conditions. Although facade and sign renovation programs are generally inappropriate for “strip” developments because of the different architectural and functional traits of such developments, there are situations when they may be appropriate.

Best Practices and Requirements

Commercial rehabilitation programs are most successful when communities:

- identify the greatest needs of the commercial area,
- assess the level of interest and financial capacity of local building owners,
- involve all stakeholders in the project,
- include local design guidelines, and
- use commercial rehabilitation programs as part of an overall long-term economic development strategy.

The following required elements of Mass CDBG program design are covered on the following pages. They include:

- eligibility of the particular projects,
- selection of the national objective to be met and planning for the documentation to demonstrate that the grantee will meet the objective selected,
- determination of the how CDBG funding will be used, e.g., grants or loans for sign or facade improvements,
- determination of the criteria by which participants will be selected (e.g. application process),
- Although sign and façade programs are generally excluded from HUD's public benefit standards and financial analysis requirements, interior improvements to a "for profit business" and some other economic development projects that create or retain jobs require application of the standards.
- protection of public funds, e.g., permanent or deferred payment liens, restrictive covenants.

Eligibility of the Project

Improvements to commercial buildings and related support are eligible under several provisions of Section 105(a) of Title I, Housing and Community Development Act of 1974, as amended. It is up to the community to decide at the application stage which eligible project will be utilized. Activities, which cover various commercial rehabilitation projects, include:

- "Reconstruction and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing acquisition for rehabilitation, and rehabilitation of privately owned properties...)" (105)(a)(4). This provision includes renovation of facades or storefronts, including replacement of signs and may include some renovation in the interior of buildings.

- “Acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for rehabilitation or conservation activities; (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land...” (105)(a)(1).
- “Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area” (105)(a)(3).
- “Projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and severely disabled adults” (105)(a)(5).
- “Provision of assistance including loans ... and grants for activities carried out by public or private nonprofit entities, including: (A) acquisition of real property; (B) acquisition, construction, reconstruction, rehabilitation, or installation of ... (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements...” (105)(a)(14)*
- “Relocation payments and assistance for displaced, businesses, organizations, and farm operations, when determined by the grantee to be appropriate” (105)(a)(11).
- assistance to private for profit entities to carry out an economic development project that creates or retains jobs for low- and moderate-income persons; prevent or eliminate slums and blight; meets urgent needs; creates or retains businesses owned by community residents; assists businesses that provide goods or services needed by, and affordable to low- and moderate-income residents; provides technical assistance to promote any of those purposes (105)(a)(17). *

*Note: some activities carry additional documentation responsibilities.

National Objective

Overview

Every activity funded by the Massachusetts Community Development Block Grant Program (Mass. CDBG) must meet one of the three national objectives that govern the CDBG Program. They must:

- provide benefit to low- and moderate-income persons or
- aid in the elimination or prevention of slums and blight, or
- meet other community development needs having a particular urgency because existing conditions pose a serious threat to the health and welfare of the community and where other financial resources are not available to meet such needs...¹

Communities often design commercial rehabilitation activities to prevent or eliminate slums or blight, or to benefit low- and moderate-income persons. The following are some of the factors grantees consider in selecting the national objective to be met.

- Generally, when the program is carried out in a downtown area or neighborhood, the national objective is the *prevention or elimination of conditions of slums or blight on an area basis*. A business district with many deteriorated buildings may qualify as a blighted area. Mass CDBG has determined that at least 25% of the buildings in a defined target area be categorized in fair to poor condition. CDBG funds may be used to bring the exterior into code compliance and into compliance with the communities design guidelines. Interior work on specific buildings under commercial rehabilitation must comply with public benefit standards.
- An area with only one or two deteriorated buildings may qualify for a commercial rehabilitation program that *prevents or eliminates slums or blight on a spot basis*. For spot blight CDBG funds are limited building rehabilitation exterior and interior repairs to the extent necessary to eliminate specific conditions detrimental to public health and safety.
- Neighborhood business district programs may be designed to *benefit low- and moderate-income persons on an area-wide basis* when they serve a clientele of primarily low- and moderate-income persons. This national objective is used when 51% or more of the businesses' clients are low- or moderate-income persons.
- Programs designed to eliminate architectural access barriers are generally designed to meet the national objective of *benefit to low- and moderate-income persons on a limited clientele basis* because HUD presumes that the elderly and/or severely disabled adults who would use the improvements are primarily low- and moderate-income persons. The CDBG-assisted

¹ Title I Sec. 104(b)(3)

work for such program components is restricted to removing architectural or material barriers.

- Interior improvements that are beyond code compliance may be paid for by CDBG funds as an eligible activity related to economic development under the national objective of *benefit to low- to moderate-income persons through the creation and retention of jobs*. These activities could include the purchase of fixtures and equipment necessary for the operation of a specific business normally paid for by a lessee. For information regarding interior improvements to a specific business, please see the Mass CDBG economic development technical assistance publication.

Guidance Relating to Specific National Objectives

Prevention or elimination of slums or blight on an area-wide basis

This national objective may be used for any activity designed to eliminate or prevent slums or blight on an area basis including reconstruction and rehabilitation of facades and signs of commercial property. All of the following points must be documented in the grant application:

- The Community must determine that the area meets the state's definition of deteriorated, substandard, blighted or decadent areas as stated in MGL ch.121A and ch.121B.
- In addition, communities must also document that: "Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration". DHCD and HUD have determined that at least 25% of the buildings in a target area be deteriorated or deteriorating (receiving a rating of fair or poor on the inventory).
- Applicants seeking to qualify projects under slums and blight based solely on deterioration of public improvements must document that the public improvements throughout the area are in a general state of deterioration. Deterioration of a single element of infrastructure such as a road or a sidewalk does not meet this criterion.
- An inventory of the substandard conditions that qualify the area as blighted must be developed as part of application development and maintained during grant implementation. The inventory will become a yardstick for the program's achievements, as well as its compliance with national objective. Specific information on conducting a slums and blight inventory is included on page 14. Applicants planning facade and sign programs must include information showing that some of the building facades and signs contributed to the deteriorated condition of the area. The inventory link between existing conditions and the specific projects undertaken to address the conditions is key to the documentation requirements for demonstrating compliance with the national objective selected.
- [To meet federal regulations](#), the assisted project/activity must address one or more of the conditions that contributed to the deterioration of the area. [In accordance with DHCD policy](#), [a project that most directly addresses the elimination of deteriorated/blighted conditions](#)

identified in an inventory for a target area will have a scoring advantage over those that merely address prevention of blight.

Prevention or elimination of slums and blight on a spot basis

Activities meeting this national objective will involve a limited number of specific properties that are identified before a program is established. The specific properties should be presented in the grant application, accompanied by sufficient information to show that the buildings are deteriorated and where they are located. Meeting the national objective of eliminating spot blight requires documentation that includes:

- A determination of how a particular building qualifies as blighted or substandard, utilizing the language of ch. 121A and ch. 121B.
- Communities must provide a site description, which shows why the building or property is deteriorated, or deteriorating. The description should document the type structural decay, the health and safety violations to be corrected and include evidence of vacancy and disinvestment.
- Information to show that the proposed rehabilitation to eliminate blight on a spot basis is limited to addressing conditions that are detrimental to public health and welfare.
- Information that the property is not located in an area that qualifies as deteriorated, substandard or blighted.

Benefit to low- and moderate-income persons on an area-wide basis.

As a general rule this national objective is not used for commercial rehabilitation projects. In limited situations, an applicant may have a specific project where it could be used. An example would be a program that will assist neighborhood businesses, which serve low-income persons as in Section 105(a)(17)(E) of Title I, Housing and Community Development Act of 1974. The applicant would need to document traffic data, conduct relevant customer surveys over a specified period, customer origins or other information pertaining to the patrons of the specific business. Call Mass. CDBG for assistance and information.

Benefit to low- and moderate-income persons on a limited clientele basis

Commercial rehabilitation may be designed to eliminate architectural barriers and thereby benefit low- and moderate-income persons, i.e., the elderly and handicapped, who are presumed by HUD to be low- and moderate-income populations.² The program design must demonstrate that the activity:

- Principally benefits the elderly and handicapped because the activity is limited to special projects, which eliminate access barriers in commercial buildings.
- Limits program participation to property owners whose buildings do not comply with the accessibility standards of either Section 504 of the Rehabilitation Act of 1973, or Title III of the Americans with Disabilities Act of 1990.
- Shows that eliminating architectural barriers in these buildings is feasible given
 - ◇ the proposed CDBG subsidy correlated with the financial capacity of property owners and cost of rehabilitation, and
 - ◇ state code requirements that may be triggered under the regulations of the Architectural Access Board.
 - ◇ The CDBG assisted work is restricted to removing architectural or material barriers.

Benefit to low- and moderate-income persons through creation or retention of jobs

Commercial rehabilitation programs may meet a national objective by showing that jobs will be created or retained as a result of the activity, and that low- and moderate-income persons will hold 51% or more of those jobs. Construction jobs involved in carrying out a commercial improvement project do not qualify for national objective purposes.

- Generally, communities use job creation/retention to meet the national objective for commercial rehabilitation when the project is assistance to a for-profit entity which is provided with the expectation that jobs will be created in return for the assistance provided. The public benefit standard only applies to economic development activities carried out under Title I section 105 (a) (2, 14, 15, 17) which use this national objective. See the list of eligible activities on page 2 for description of the activity. Applicants considering this approach should consult with Mass. CDBG in advance since there are additional documentation requirements related to Public Benefit. The recipient must use the job-

² Commercial rehabilitation is a “federally assisted project” within the meaning of Section 504 of the Rehabilitation Act of 1973. Mass CDBG recognizes that the Americans with Disabilities Act of 1990 obligates places of public accommodation to bring their properties into compliance with Title III of the Act when it is readily feasible to do so. Communities are encouraged but not required to use the Americans with Disabilities Act Accessibility Design Guidelines (ADAAG) instead of UFAS. When a historically significant building is involved and strict adherence to ADAAG would have an adverse affect on the architectural features that make the building significant, consultation with the Massachusetts Historical Commission before committing assistance to the project.

monitoring packet provided by Mass. CDBG to collect information on the jobs created or retained.

- When this national objective is selected, the activity may involve grants and or loans to a for-profit business. An Appropriate Analysis process is required for activities which are eligible under Title I section 105 (a) (14, 15, or 17). See the list of eligible activities beginning on page 2 for description of the activity. Applicants considering this approach should consult with Mass. CDBG in advance since there are additional documentation requirements related to financial analysis and underwriting.

Program Design

Commercial rehabilitation components may include the following:

- direct rehabilitation grants and/or loans for:
 - ◊ renovation of buildings and facades,
 - ◊ rehabilitation of interiors of building to remove code violations or correct health and safety problems, or
 - ◊ removal of architectural barriers.

Eligible work is confined to:

- the exterior of the structure, and
- interior improvements limited to bringing the building into code compliance, leasehold improvements or removal of barriers to access.

Rehabilitation Grants and Loans

Communities subsidize commercial sign and facade rehabilitation projects with both grant and loan mechanisms.

- Grants are cash subsidies that cover a percentage of total project cost. The percentage ranges from 1 - 100% of all eligible costs incurred, up to a specified maximum amount;
- Deferred Payment Loans may be offered with interest rates as low as 0%, for up to 100% of the total cost of the project. Such “loans” are usually grants that include requirements for loan forgiveness;
- Direct loans with interest rates and terms set according to the financial needs and ability-to-pay of participating property owners, or on the basis of fixed rates outlined in the community’s grant application; or

- Combinations of the three mechanisms
- **Facade easements for the sole purpose of avoiding the payment of Davis Bacon wages are not acceptable.**

The selection of a specific funding mechanism should be based upon the management capacity of the community or organization charged with the implementation of the program, the financial status of property owners in the area, and the overall objectives of the program. Commercial rehabilitation programs involving publicly funded construction must comply with Federal Labor Standards, including Davis-Bacon wage rates, unless otherwise exempt by regulation. Communities must have a Recapture Policy, which prevents speculative profit on the sale of the business/property.

Administrative Procedures and Implementation Guidance

Regardless of which funding approach is selected, grantees must maintain complete project files documenting the basis for selection of each project (consistency with program design). Commercial rehabilitation activities require an implementation plan. Components to be included are architectural plans stamped by a registered professional architect or in-house work write-ups³, estimates and bid documents, inspection reports, invoices, etc.

Applicants to the Mass CDBG program must include an explanation of their proposed implementation procedures including:

- a project management and operation structure that provides for adequate internal controls, documentation and compliance systems, delegation of duties, and oversight of staff;
- how projects will be selected or denied;
- how construction procurement will be handled;
- how the project will comply with applicable federal regulations; and
- how CDBG and, where applicable, non-CDBG funds will be spent to carry out any portion of the activity.

When designing programs offering either facade and sign construction assistance or other commercial rehabilitation, communities should use the following as a minimum set of administrative requirements:

Program Marketing

³Commercial projects sometimes require an architect's plan in order to obtain a building permit. This can be determined by consulting with the local building inspector.

One of the most critical parts of a successful commercial rehabilitation program is public participation. All stakeholders including building/business owners, government officials and members of the community need to be informed as early as possible during the program design. Participation of these groups in the early design stages will make the eventual marketing of the program to the businesses much more productive. Property owners need to believe it is worth their investment in building improvements. Successful marketing usually requires the direct involvement of business people in the target area. Interaction between business owners is often more effective than government promotions for commercial rehabilitation programs.

To facilitate communication in the design and marketing of this program a list of businesses and building owners in the targeted area needs to be compiled. This list can be used throughout the process to convey meeting information, program implementation process, and actual marketing brochures about grants.

Local Design Guidelines or Standards.

Communities are strongly encouraged to use design standards in order to avoid the aesthetic consequences of an uncoordinated program. Facade improvement programs must include reference to the standards in their legal and informational documents to show that adherence to the standards are required for participation in the program. Planning for this purpose is an eligible CDBG program delivery cost. Municipalities may contract for architectural design services to generate a set of design guidelines for facade and sign programs. However, communities with professionals willing to volunteer their time can often produce design standards without incurring costs. If the target area is located in a local historic district or if the community has a design review ordinance governing commercial construction, members of the historic district commission or design review board should be consulted during the development of facade and sign guidelines. Design guidelines should be done as a first step to any process and can take up to three to four months to be finalized.

For programs, which include rehabilitation funded through CDBG grants or loans, communities should consider the consequences of spending federal funds on buildings that do not comply with Section 504 of the Rehabilitation Act of 1973, and/or with the Americans with Disabilities Act of 1990 (ADA). A set of commercial design standards must include a process for evaluating buildings for non-compliance with Section 504's Uniform Federal Accessibility Standards and should consider the same for Title III of ADA (Title III pertains to places of public accommodation). Property owners who plan to expend funds on commercial rehabilitation must consider readily achievable access.

Project Selection Process

All programs using CDBG funds must develop criteria for choosing the projects to be funded. The criteria for programs designed to accept applications on a rolling basis must have clear criteria for choosing or rejecting projects. Program design must address the following points for selection of projects:

- The selection criteria must support the community's ability to comply with the national objective chosen for its program. Projects should be prioritized based upon their distress level. If the national objective is prevention or elimination of slums and blight, the property

must be shown on the initial inventory. The inventory should indicate that the conditions of the specific property are adding to the slum and blight of the area. Any rehabilitation work must aid in the prevention or elimination slums and blight.

- The use of local design standards should be included in the selection system so that CDBG funds become part of a coordinated strategy for aesthetic changes or improvements in the target area.
- Cost reasonableness for the expenditure of CDBG funds must be documented for each assisted project. The cost reasonableness analysis should be tied to the purpose for which funds are being used. Program design may require that property owners have estimates from qualified contractors or architects when they apply for funds so that CDBG funds will be committed to feasible projects and to eligible items. Other programs may choose to use a standardized cost estimating system if they have a rehabilitation specialist on staff. Davis-Bacon wage rates should be used in the preparation of estimates to accurately determine project costs.

Prohibition of Conflicts of Interest

- Both state and federal requirements prohibit people involved in the administration of government and government programs from participating in situations that create a conflict of interest regarding their personal area of influence. The requirements cover situations which may appear to be a conflict as well as actual conflicts.

The state prohibition applies to municipal or special municipal employees. The federal prohibition applies to all grantees and sub grantees.

A downtown organization that is a “privately incorporated organization” which holds a subcontract with a municipal grantee may find its members are subject to the federal prohibition whether or not they are municipal or special municipal employees covered by the state prohibition.

Prevailing Wage Laws

- The Davis-Bacon Wage Law is a federal law that requires all federally funded construction projects costing \$2,000 or more to insure that contractors pay their construction workers a “prevailing wage.” Contractors must pay federally required wages to all their on-site construction workers and document this information. Davis-Bacon wages must be paid even if the contract for rehabilitation work is between the building owner and the contractor. To comply with federal rules, grantees must obtain federal wage rates and include them with requests for proposals for facade projects. Contractors must base their estimates on these prevailing wages being paid. During the project contractors performing the work must maintain documentation that these prevailing rates are being paid and the local administering agency must also develop an on-site monitoring plan to insure wage rate compliance.
- Massachusetts also has Prevailing Wage Requirements, although they are only applicable if the contract for commercial rehabilitation is between a contractor and the municipal

government. In these cases the contractor is responsible for paying the higher of the two rates (Davis-Bacon or MA Prevailing Wage).

Project Implementation

- For projects that involve construction or rehabilitation cost estimating and bidding procedures must be specified in the program design regardless of who handles the bidding or contractor selection process. Some grantees that have housing rehabilitation programs use the same general procedures. Others use construction cost estimation software or hire someone experienced with this task.
- Once a project is selected for CDBG assistance, the community and property owner should execute an agreement, which details the specific situation. The agreement must include relevant statutory and regulatory language and incorporate the local program's participation requirements.
- **Communities must have a policy for protecting the investment of public funds** in the rehabilitation of privately owned property. This could be done in a number of ways. Examples include reduced or 0% loans, deferred payment loans forgiven over a number of years, a permanent lien or a restrictive covenant. The Department can provide additional guidance for protection of public funds.
 - ◊ Funds cannot be released to the property owner without evidence showing actual construction costs incurred. The program design should specify the criteria and timing for release of funds. Some funds should be retained for a specified time period at the completion of the project to insure that any final punch list work is completed.
 - ◊ For projects that include rehabilitation or other construction work, final inspection of the rehabilitation work must be made before funds are released. Some communities conduct their own inspections using municipal specialists, while others rely on the property owner's architect to certify that a project has been completed according to approved plans.
 - ◊ Programs utilizing loans must file (record) a lien or mortgage.
 - ◊ In addition, communities may choose to require a preservation restriction filed at the registry or other agreement to insure the integrity of the rehabilitation work.
- Communities are encouraged to involve all stakeholders, especially property owners in the target area, in design, the selection process, and marketing activities for facade and sign programs. The more citizens invest in the outcome, the greater the likelihood of broad program participation. Citizen involvement is a key factor in improving distressed business districts. The citizen participation plan needs to be thought out in advance since some forms of participation may place someone who would apply for available funding in a "conflict of interest" situation.

Projects in a Downtown or Neighborhood Commercial Area

Downtown-related projects are generally those that use CDBG funds in support of a commercial area revitalization strategy or plan. They do not include functions traditionally carried out by municipalities on public property, such as street and sidewalk improvements, which are carried out as infrastructure or public facility projects. Should you have any questions regarding the classification of a project as a traditional municipal function or a downtown-related activity seek Mass. CDBG technical assistance.

Communities that plan to apply the Community Development Fund for “downtown-related projects” must have a downtown or commercial area revitalization element in their community development strategy.

In addition many communities that have been successful with downtown revitalization have established a Downtown Organization. These organizations may take several forms. Some examples are as follows:

- an independent downtown organization which is a stand-alone organization with the single objective of downtown revitalization
- a public organization which consists of a town task force, town committees or a committee under the redevelopment authority which has at least one year of experience with downtown revitalization activities, or
- Private organizations whose overall mission statements include downtown revitalization, such as Chamber of Commerce affiliates, community development corporations and historic organizations.

Slum and Blight Documentation Inventory

As noted above, several criteria must be met for an activity to meet the national objective of elimination or prevention of slums and blight. One of the criteria requires documentation that throughout the area there are a substantial number of deteriorated or deteriorating buildings or public improvements or both. Applications that do not demonstrate such deterioration will be eliminated from funding consideration. The documentation necessary to meet this requirement of the national objective consists of a slums and blight inventory that must include the following information:

For buildings in target area the following information is required:

- The nature of the existing cosmetic or structural deterioration for each building identified as deteriorated * (see next page)
- The percentage of buildings that are deteriorated in the area as a whole. At least 25% of the buildings in the target area must be rated as poor or fair, when using the rating criteria described on the following page, or similar criteria.

- A description of the level of disinvestments that has contributed to the deterioration of the area. This description should include an indication of the extent of building vacancies. Other conditions cited by grantees include: tenants relocating to a new mall or office space, lack of lighting or use of the area in the evening contributes to residents' reluctance to patronize the businesses, unwillingness of landlords to correct code violations, etc.

For public improvements in the target area the following information is required:

- Describe and quantify the deterioration for each type of public improvement identified, e.g., linear feet of sidewalks, roadways, and numbers of light fixtures. Public works officials can be helpful in the preparation of this facet of the slums and blight inventory.

Note: Projects seeking to qualify under slum and blight based solely on deterioration of public improvements must document that the public improvements throughout the area are in a general state of deterioration. Deterioration of a single element of infrastructure, such as a road or a sidewalk, does not meet this criterion.

A map must be provided showing:

- The geographic area designated as slum and blighted. (An assessor's parcel map is recommended for the slums and blight inventory map.)
 - All buildings and public improvements that have been identified as deteriorated. (A method for showing deteriorated buildings and public improvements is to highlight these sites in color)
 - An attachment that describes the nature of the cosmetic or structural deterioration for each building and public improvement identified along with supportive photographs
- * Consistency in describing the conditions, area and buildings is important because the inventory will be used for documentation of meeting a national objective, as well as a gauge of addressing the slum or blighting conditions of the area in future funding years. Once DHCD determines that a target area meets the National Objective criteria for slum and blight on an area basis, that designation for that defined area shall be valid for a period of five years from the date of such determination.

Rating criteria for buildings and public improvements

For buildings and infrastructure, the community must utilize standard rating scale for measuring physical conditions in the target area. A common method used to evaluate conditions is a windshield survey (the name "windshield" derived from surveying buildings and infrastructure from the inside of a vehicle). For the exterior of the building a checklist can be used to rate the major components (roof, foundation, siding etc.) as well as cosmetic components of a structure. Infrastructure components should be evaluated in the same manner. A numerical score can be assigned to the condition of the component based upon a poor to excellent scale. Structural elements/code violations should be weighted substantially higher than cosmetic elements. The scores for each component are compiled to arrive at a

total score for the building or infrastructure element. The highest score signifies a building or infrastructure element in excellent condition while the lowest score results in a building or infrastructure element in poor condition. A local building inspector, tax assessor and public works director can be helpful in the design of this survey. Communities should use the Categories of physical condition below as a guide in the completion of the inventory.

Definitions for Categories of Physical Condition

Excellent: Buildings that require little or no exterior or interior work. Buildings are in excellent condition and may be of any age or style. They demonstrate consistent, planned maintenance and repair, systems meet code and building is energy efficient. In addition, this category includes infrastructure (streets, sidewalks, bridges, lighting, etc.) that is newer, meets current need and demand, is compliant with all state and federal codes and requirements and has no visual or physical evidence of deterioration or needed repair.

Good: This category covers buildings, infrastructure, and structures that are now showing the first signs of deterioration. Roofs may be aging but not yet leaking. Siding may need spot painting or repair. Building systems meet code by energy efficiency such as storm windows may be needed. Decorative features may need to be secured but items are in place. Materials do not need replacement but do need some care and repair.

Fair: Buildings, structures, and infrastructure with this designation show clear signs of deterioration indicative of a property or infrastructure that has not been maintained for 5 to 10 years. These may have at least 25% of their painted surfaces in a progressed state of peeling. In the case of brick surfaces, 25% of the surface requires repointing. Infrastructure is older and needs regular repairing. Streets and sidewalks are cracked, uneven and do not insure easy and safe pedestrian travel. Small wood and metal trim pieces of buildings or structures may be lifting away from primary surfaces. Exterior trim is no less than 50% intact. This category may have older facades with architectural features that have been covered with sheet metal and other like materials from renovations of earlier decades. These covering materials are now showing signs of significant deterioration. Roofing materials may be missing. Windows need to be re-conditioned for energy efficiency. Plaster/wallboard may be stained from leaks, but is still in place.

Poor: This category includes properties and infrastructure that appear not to have been maintained for at least 10 years. Facades are likely to have missing and broken siding, bricks, or masonry surfaces. At least 50% of the painted surfaces may show signs of advanced peeling. Exterior trim is missing altogether. Roof may be actively leaking. Systems are inadequate or are in poor repair. Building foundation and sills may need replacement and shoring up. Structural work may be necessary. Streets/sidewalks and other paved surfaces are rutted, cracked and appear to require full reconstruction. Little, if any “reveal” remains on the curbing. Crosswalks and sidewalks are not accessible. Some surfaces are severely deteriorated and in general infrastructure is antiquated, undersized, or obsolete.

The form (Exhibit I) on the next page is one way of presenting the information for a slum and blight inventory.

Exhibit I

Base-line Information Form for CDBG activities to prevent or eliminate conditions of slums or blight: Area Basis			
Documentation category	Specific Item	Numerical Response (# or %)	Identify on Target Area Map?
Total acreage of target area:			
Land uses as % total land area: <i>Estimate the percentage of the total target area by listed item.</i>	Commercial		
	Industrial		
	Residential		
	Transportation (roads)		
	Open Space		
	Public/Institutional & Other		
Distribution of buildings: <i>Indicate how many of the buildings are commercial, industrial, residential or public in the target area.</i>	Estimate # Commercial buildings		
	# Industrial buildings		
	# Residential buildings		
	# other buildings (Public/Institutional, & other)		
Building Condition Determination:	# Total Buildings in Target Area # Total Buildings Fair and Poor % Total Buildings Fair and Poor		
<i>Rank the # of Commercial buildings by condition</i>	# in Excellent Condition # in Good Condition # in Fair Condition # in Poor Condition		yes
<i>Rank the # of Industrial buildings by condition</i>	# in Excellent Condition # in Good Condition # in Fair Condition # in Poor Condition		yes
<i>Rank the # of Residential buildings by condition</i>	# in Excellent Condition # in Good Condition # in Fair Condition # in Poor Condition		yes
<i>Rank the # of Public/Institutional buildings by condition</i>	# in Excellent Condition # in Good Condition # in Fair Condition # in Poor Condition		yes

Documentation category	Specific Item	# or % Response	Identify on Map?
Roads	Total linear feet of roads		
	Total linear feet in deterioration		yes
	<i>Attach narrative indicating whether cosmetic or structural deterioration</i>		
Sidewalks	Total linear feet of sidewalks		
	Total linear feet of sidewalks in deterioration		yes
	<i>Attach narrative Indicating whether cosmetic or structural deterioration</i>		
Parking: Public or Private	# Parking areas, public or private		
	# Parking areas in deterioration		yes
	<i>Attach narrative indicating whether cosmetic or structural deterioration</i>		
Parks, Playgrounds or vacant, open space areas	# parks, playgrounds, open spaces		
	# parks, playgrounds, open spaces in deterioration		yes
	<i>Attach narrative indicating types of deterioration</i>		
Other public improvements: <i>Examples: sewer lines, lighting, landscape. List total amount; Estimate # or % in deterioration.</i>	List public improvement Total # Total % in deterioration		yes
	<i>Attach narrative indicating type of deterioration</i>		
Vacancy and indicators of disinvestment	% vacant commercial units		
	% vacant industrial units		
	# vacant residential units		
	# boarded up, abandoned, condemned or foreclosed buildings		yes
Historic Resources	buildings on or eligible for listing on National Register		yes
Basic business data:	Estimate # of Businesses operating in the target area		
	Estimate # of Businesses that have left target area in the last 24 months		
	Estimate # of Business that have come into the target area in the last 24 months		